



Department of Veterans Affairs

Financial Policy

Volume XVI

Charge Card Program

Chapter 1C

Government Convenience Checks

Approved:

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0101 Overview

The purpose of this chapter is to establish policy for procuring goods and services under the micro-purchase limit using convenience checks. The use of convenience checks is strongly discouraged. Purchases of goods and services that exceed the micro-purchase threshold can only be made by warranted contracting personnel, in compliance with Veterans Affairs Acquisition Regulations (VAAR) and Federal Acquisition Regulations (FAR). Purchases over the micro-purchase threshold fall under the purview of the Office of Acquisition, Logistics, and Construction (OALC).

The Principal Executive Director and Chief Acquisition Officer (CAO), OALC, delegated the authority for micro-purchases, in conjunction with the Government Purchase Card program, to the Assistant Secretary for Management and Chief Financial Officer (CFO). The CFO further delegated this authority to the Under Secretaries, Assistant Secretaries, and Other Key Officials, with the stipulation that this authority can be further re-delegated to employees at or above the GS-15 level.

The Financial Services Center (FSC) reviews the application for all approved convenience check accounts.

This policy provides guidance on:

- Eligibility for obtaining convenience checks;
- Proper use of convenience checks; and
- Special situations for convenience checks.

All rules, requirements, penalties, standards, and internal controls found in Volume XVI, Chapter 1A, Administrative Actions for Government Purchase Cards, Chapter 1B, Government Micro-Purchase Card and this chapter must be adhered too when using Convenience checks.

0102 Revisions

Section	Revision	Office	Reason for Change	Effective Date
Various	Added reference language	OFP (047G)	Updated language referencing 1A and 1B to avoid any potential confusion on the word “requirement”	February 2019
All	New Policy	OFP (047G)	Create separate chapters from Volume XVI – Charge Card Programs/Chapter 1 Government Purchase Card Program	June 2018
Various	Reformatted to new policy format and completed 5 year review.	OFP (047G)	Reorganized chapter layout	June 2018
Various	Roles and Responsibilities	OFP (047G)	Strengthened Internal Controls and updated language on accountability to be more clear and concise.	June 2018

0103 Definitions

Agency/Organization Program Coordinators (A/OPC) - A VA employee that serves as the primary point of contact for the Government Convenience Check Program for their agency/organization. The A/OPC oversees administration of the Government Convenience Check Program in accordance with law, regulation, and policy.

Approving Official (AO) - The AO ensures that convenience checks are used properly, authorizes account holder purchases (for official use only), and ensures that monthly statements are reconciled in a timely manner.

Convenience Check - Convenience checks are written against a purchase card account in the issuing bank. Convenience checks are a payment and/or procurement tool intended only for use with merchants that do not accept purchase cards. Convenience checks should be used as a payment method of last resort,

only when no reasonable alternate merchant is available who accepts the purchase card.

Convenience Check Accountholder - A VA employee who has been delegated authority to commit funds on behalf of the government and has successfully completed all mandatory training requirements.

VA Form 0242c – Government Convenience Check Certification Form is used to delegate authority to an individual to use the convenience check to procure and pay for goods and services.

Internal Controls - Systematic measures which include periodic and continuous monitoring, checks and balances, policies, procedures, and segregation of duties implemented to reduce the risk of error, fraud, waste, and abuse.

0104 Roles and Responsibilities

Assistant Secretary for Management and Chief Financial Officer (CFO) oversees all financial management activities relating to the direction, management, and administration of the VA Convenience Check Program.

Under Secretaries, Assistant Secretaries, and Other Key Officials are responsible for ensuring that the offices within their authorities are in compliance with the policies and procedures set forth in this chapter including assessing appropriate disciplinary actions.

Administrations and Staff Office Chief Financial Officers, Fiscal Officers, and Chief Accountants are responsible for ensuring that the office(s) within their fiscal responsibility establishes internal controls to safeguard government resources and complies with the policies and procedures set forth in this chapter.

Office of Acquisition and Logistics and Construction (OALC) is responsible for establishing acquisition policy and ensuring that the Department makes strategic sourcing decisions that maximize its purchasing authority.

VHA Procurement and Logistics Office (PLO) The Chief Procurement Officer (CPO), as designated by the Under Secretary for Health, is responsible for the oversight of the Purchase Card Program within VHA. The CPO may re-delegate the authority to issue purchase cards and convenience checks; however, this authority may not be delegated lower than the GS-15 level.

Financial Services Center (FSC) Charge Card Operations Division serves as the Level 1 A/OPC and is responsible for VA-wide oversight, operation, and program administration of the Convenience Check Program.

Responsible Officials are the highest ranking officials (senior executives or GS-15) of any individual offices that hold convenience check s. They are responsible for ensuring that their accountholders and AOs are complying with the policy as well as preventing and mitigating non-compliances.

Supervisors are responsible for ensuring that accountholders, AOs, or A/OPCs in their line of authority are in compliance with this policy and for assessing appropriate disciplinary actions.

Agency/Organization Program Coordinators (A/OPCs) oversee the card program(s) for his or her agency/organization; establish convenience check accounts in the servicing bank's Electronic Access System (EAS); serve as liaison between the accountholder and the servicing bank; provide on-going advice; review convenience check account activity; maintain necessary account information; monitor and track card program participants that violate policy; and ensure that the offices take appropriate action to address any instances of policy violations.

Level 1 A/OPC - The Financial Services Center (FSC) Charge Card Operations Division serves as the Level 1 A/OPC.

Level 2 A/OPC – Provides oversight of the Convenience Check Program at the Administration level for the Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), National Cemetery Administration (NCA), Office of Information and Technology (OI&T), Office of the Inspector General (OIG), and VA Central Office (VACO). This position provides technical advice and guidance to the lower-level A/OPCs and reports within 15 days any policy violations and resulting corrective actions to the Level 1 A/OPC.

Level 3 A/OPC –known as Convenience Check Program Managers serve as a liaison between Level 2 A/OPC and Level 4 A/OPCs. Level 3 A/OPCs are currently only being utilized by VHA. Level 3 A/OPCs are responsible for:

- Providing technical advice and guidance to the lower-level A/OPCs;
- Providing initial and refresher training and guidance to Level 4 A/OPCs;
- Reporting violations and disciplinary actions to the next level A/OPC;
- Providing oversight of the Convenience Check Program at the station-level;
- Providing technical guidance for all accountholders and AOs under his/her hierarchy;
- Analyzing the effectiveness, efficiency and productivity of the Convenience Check Program;

- Investigating potential violations and fraud indicators; and
- Managing and responding to external oversight organizations.

Level 4 A/OPC – are responsible for the following:

- Entering the accountholder's account application in the servicing bank's EAS;
- Monitoring and tracking policy violations;
- Ensuring that supervisors take appropriate actions to address violations;
- Reporting violations and disciplinary actions to the next level A/OPC;
- Providing oversight of the Convenience Check Program at the station-level;
- Ensuring mandatory convenience check training is completed and up to date for all accountholders;
- Providing technical guidance for all accountholders and AOs under his/her hierarchy;
- Analyzing the effectiveness, efficiency and productivity of the Convenience Check Program;
- Investigating potential violations and fraud indicators; and
- Managing and responding to external oversight organizations.

Approving Officials (AOs) are responsible for the following:

- Working with direct line supervisors to identify qualified employees to be accountholders;
- Recommending single purchase and monthly purchase thresholds in conjunction with the A/OPC, Fiscal Office, and the delegating authority;
- Providing guidance to accountholders in response to issues they raise related to use of convenience checks;
- Ensuring that only authorized purchases are made;
- Ensuring timely reconciliation of charges made by accountholders;

- Reporting to the Level 4 A/OPC whenever convenience check s are lost, stolen, or compromised;
- Monitoring and reporting to the A/OPC when accountholders transfer, retire, are terminated, or for any other reason have no further need of convenience checks;
- Monitoring and reporting disciplinary actions resulting from accountholder misuse within 5 days to the Level 4 A/OPC;
- Review spending thresholds and the need for cards annually in accord with [PL 112-194](#) and [PL 115-91](#); and
- Completing mandatory training related to their approving official duties.

Convenience check accountholders ensure proper adherence to convenience check policies, and are limited to acquisition, logistics, finance personnel, prosthetics, and other such personnel approved on a limited basis by the level 2 A/OPC. Accountholders are responsible for the following:

- Completing mandatory training related to their convenience check duties;
- Surrendering the convenience checks upon termination of employment, retirement, or transfer to a new position;
- Being knowledgeable of convenience check policies, hierarchy of purchases, and the limitations on spending thresholds and vendor selection;
- Reporting to the AO, Level 4 A/OPC, and servicing bank whenever convenience checks are lost, stolen, or compromised;
- Making authorized purchases; and
- Uploading documentation related to purchases to an automated imaging system.

0105 Policies

- A. The use of convenience checks is strongly discouraged due to inherent risk associated with their use. Convenience checks may only be used as a last resort and only when a vendor cannot be located who will accept the purchase card. When a convenience check is used, the accountholder must document the fact that the vendor would not accept the purchase card and no other sources were available.
- B. All rules, requirements, penalties, standards, and internal controls found in Volume XVI, Chapter 1A, and Chapter 1B must be adhered too when using Convenience

checks. Before requesting convenience checks from the bank you must have completed all training required in Volume XVI, Chapter 1A, and Chapter 1B.

- C. [Per Public Law 115-91](#), “[a] convenience check may not be used for an amount in excess of one half of the micro-purchase threshold [for purchase cards] under section 1902(a) of title 41, United States Code, or a lower amount established by the head of the agency.” Refer to Volume XVI, Chapter 1A and Chapter 1B for the current micro-purchase thresholds associated with the purchase card program.
- This limit may be increased up to \$5,000 for individual convenience check accountholders (as authorized by P.L. 115-91) when there is a documented business need. In order to be authorized for an increased micro-purchase limit to \$5,000, convenience check accountholders must be in good standing, current on all training requirements, with no documented cases of misuse or counseling for inappropriate account usage.

010501 Obtaining Convenience Checks from the Bank

- A. Convenience check accountholder must be nominated by either the employee’s direct-line supervisor or their AO. All convenience check accountholders and AOs must be permanent VA employees. Contractors cannot be an A/OPC, AO, or Convenience check accountholder,
- B. Government-wide Convenience Check Certification Form ([VA FORM 0242c](#)) must be completed to appoint a convenience check accountholder or AO.
- C. VA Form 0242c must be updated when the following changes occur:
- Change in AO or Alternate AO; and
 - When a convenience check accountholder has a legal name change.
- D. Level 4 A/OPCs must submit all new convenience check account applications in the servicing bank’s EASA/OPCs must ensure that issued convenience checks bear the convenience check accountholder’s name as it appears in the Global Address List (GAL).
- E. All new convenience check accounts as well as orders for new checks on existing accounts have to go through the Level 1 A/OPC for approval.

010502 Use of Convenience Checks

- A. Convenience checks may not be written for an amount in excess of one half of the micro-purchase threshold [for purchase cards] under section 1902(a) of title 41,

United States Code.

- Convenience checks may only be used as a last resort when acquiring goods or services;
- The convenience check accountholder shall verify the vendor does not accept charge cards or electronic funds transfer (EFT) and no vendor can be located who will accept EFT for the same goods or services. Convenience checks should only be used with merchants or suppliers who do not accept purchase cards;
- All checks written to an individual must be reported to the FSC; and
- FSC will track all checks written to individuals and make any reports to the IRS and issue 1099's in accordance with all applicable rules and regulations.

B. Check Requirements:

- The convenience check accountholder's legal name must be printed on the face of the convenience checks;
- Only the accountholder may sign convenience checks;
- Convenience checks must be used in sequential order;
- Any convenience check that is issued or voided must be entered in a check register or log for tracking purposes.

C. Convenience checks may not be used for honorarium payments.

010503 Special Circumstances

- A. The convenience check accountholder must report lost or stolen checks to their AO, Level 4 A/OPC, and the servicing bank immediately. The local level A/OPC will contact the Level 1 A/OPC for replacement convenience checks.
- B. Payment can be stopped on a convenience check if it has not yet posted to the account. To initiate a stop payment request, accountholders should contact the issuing bank. The issuing bank will review the account to determine if the check has posted. If the check has already posted to the account, a request to stop payment cannot be honored and the account holder must call the vendor.

0106 Authorities and References

[Federal Acquisition Streamlining Act of 1994](#)

[VA Directive and Handbook 7401.7, Unauthorized Commitments and Ratification](#)

[Executive Order 12931, Federal Procurement Reform](#)

[OMB Circular A-123, Appendix B, Improving the Management of Government Charge Card Programs](#)

[Public Law 104-134, the Debt Collection Improvement Act of 1996](#)

[Federal Acquisition Regulation part 32.1103](#)

[Public Law 115-91, *National Defense Authorization Act for Fiscal Year 2018*](#)

0107 Rescissions

VA Financial Policy, Volume XVI, Chapter 1, Government Purchase Card Program dated July, 2016.

0108 Questions

Questions concerning these financial policies and procedures should be directed to the specific POC's and formatted as follows using the group email. Do not use proper names.

VHA	VHA CFO(10A3A) VHACFOOversight10A3A@va.gov
VBA	VAVBAWAS/CO/FINREP FINREP.VBACO@va.gov
NCA	NCA CAATS NCACAATSFinanceApprovers@va.gov
FSC	FSC purchasecardops@va.gov
All Others	Charge Card Policy VACOchargc@va.gov VA Procurement Policy VACOchargc@va.gov